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STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
OFFICE OF YOUTH SERVICES  
820 Mililani Street, Suite 817  
Honolulu, Hawaii 96813  
June 20, 2003

TO: Aaron S. Fujioka, Administrator  
State Procurement Office

THROUGH: *fw* Lillian B. Koller, Director  
Department of Human Services

FROM: Sharon L. Agnew, Executive Director  
Office of Youth Services

*Sharon L. Agnew*

**SUBJECT: REQUEST TO UTILIZE AFTER-THE-FACT SECONDARY PURCHASE**

Pursuant to the Department of Accounting and General Services, Hawaii Administrative Rules, 3-143-608, Secondary Purchase of Competitive Purchase of Service, the Office of Youth Services (OYS) is requesting approval to utilize after-the-fact secondary purchase of residential substance abuse treatment services for adults. The target group for this service are youth ages eighteen and older who are committed to the Hawaii Youth Correctional Facility (HYCF).

Title and Description of the Service:

The title of the service is Adult Residential Substance Abuse Treatment Services. The residential treatment program shall provide services that include, but not limited to, the following: case management; observation and monitoring 24 hours a day/7 days a week; and a minimum of 25 hours per week of face-to-face treatment, including individual counseling, group counseling, education, skill building, recreation therapy, and family services.

General Information on Primary Purchaser:

Name of Purchasing Agency:	Alcohol and Drug Abuse Division (ADAD), Department of Health
Contact Person:	Margaret Tom
Phone Number:	692-7523
Provider:	Hawaii Alcoholism Foundation dba Sand Island Substance Abuse Treatment Facility
Contract No.:	ASO 04-026

Contract Period:

ADAD (Primary Purchaser): July 1, 2003 to June 30, 2009  
OYS (Secondary Purchaser): July 1, 2003 to June 30, 2004

Contract Amounts (Subject to Availability of Funds):

	<b>ADAD</b>	<b>OYS</b>
July 1, 2003 – June 30, 2004	\$180,000*	\$151,875*

\*The per day bed rate of both the primary and secondary purchaser is \$165 per client per day.

Approximately 90% of all young adults 18 years and older committed to the HYCF require substance abuse treatment services. Many of these young adults require residential substance abuse treatment services. Because of limited ADAD funds and the limited number of available residential treatment beds, timely placement of these young adults in treatment programs is difficult as open beds are unavailable. As such, young adults who require such services may be released into the community without receiving appropriate treatment. This request provides for the availability of additional residential substance abuse treatment beds for young adults from the HYCF.

The OYS is also requesting approval to exceed the 30% ceiling amount (the combined contract amounts of both the primary and secondary purchasers). The OYS must ensure that current youth enrolled in the substance abuse program provided by Hawaii Alcoholism Foundation are able to continue their services. Any break in treatment could seriously jeopardize the successful rehabilitation of youth participants. Drug treatment is also a very specialized service area that the OYS currently does not have expertise in. The OYS relies on ADAD to provide the knowledge to procure the appropriate treatment services. If this one-year contract period is granted, the OYS will use the time to gain expertise in the area of drug treatment, work with ADAD on developing a comprehensive Request for Proposal (RFP) to effectively procure residential drug treatment services for HYCF youth, and to establish transition plans for youth who may be still actively involved in treatment should a change in service providers occur. In addition the one-year period will also provide young adults at the HYCF with the necessary drug treatment services and to reduce their further involvement in the juvenile justice system.

Statement Regarding Similarity of Service:


The services being purchased by this after-the-fact secondary purchase is substantially similar to the services purchased by the primary purchaser.

Differences Between the Primary and Secondary Purchase:

The secondary purchase shall allow the provider to continue to provide residential substance abuse treatment services to the client beyond the maximum length of stay of 75 days. The provider, however, shall not be compensated for services provided beyond the initial 75 days. Continuation of services shall be upon mutual agreement between the provider, client, and the HYCF. All other provisions of the secondary purchase contract shall remain in force.

Discussions with ADAD indicate there are no concerns regarding this request. In the future, OYS will be procuring adult residential substance abuse treatment services directly. Your attention in this matter is appreciated. If you have any questions, please call Cal Sagara, at 587-5723.

☐ APPROVAL      ☒ DISAPPROVAL

  
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AARON S. FUJIOKA, ADMINISTRATOR  
State Procurement Office

6/25/03  
Date

Chief Procurement Officer Comments:

The request to utilize an after-the-fact secondary purchase is denied. Section 3-143-608(b), HAR specifies that a secondary purchaser's share of the total services may not exceed thirty percent for an after-the-fact secondary purchase unless the head of the secondary purchaser determines good cause for a greater share. The need for this service was known in advance and far exceeds the 30% of total services for the contract, factors that must be disclosed in the request for proposals. At this time, a competitive procurement must be conducted to obtain these services.